

CAPITAL PROJECTS ADVISORY REVIEW BOARD
Data Collection Subcommittee
Get On It Conference Room, Kilroy Building, SeaTac
February 3, 2006, 12:00 – 2:00 p.m.

Draft Minutes

Name	Organization	Phone	e-mail
<i>Subcommittee Members</i>			
Darlene Septelka (Lead) Present	King County	509-358-7910	darlene.septelka@metrokc.gov
Carolyn Crowson Present	OMWBE	360-753-9679	carolync@omwbe.wa.gov
Paul Szumlanski Present	General Administration	360-902-7271	PSzumla@GA.WA.GOV
Rep. Kathy Haigh Absent	State Representative – District 35	360-427-2028 (Shelton) 360-786-7966 (Olympia)	Haigh.kathy@leg.wa.gov
Ed Kommers Absent	Specialty Contractor Mechanical Contractors Association	206-442-9029	ekommers@comcast.net
Michael Transue Absent	Association of General Contractors	253-223-2508	cmjtransue@comcast.net
Alan Nygaard Present	University of Washington	206-221-4217	anygaard@u.washington.edu
Steve Goldblatt Present	University of Washington	206-685-1676	bconbear@u.washington.edu
Teresa Rodriguez Present	City of Seattle	206-684-0156	Teresa.rodriguez@seattle.gov
Steve Masse Absent	Office of Financial Management	360-902-0576	Steve.Masse@OFM.WA.GOV
Tom Peterson Absent	Hoffman Construction	206-286-6697	Tom-peterson@hoffmancorp.com
Other Attendees			
Ray Skoff	Boeing	(206) 766-3696	Raymond.p.skoff@boeing.com

Scribe: Searetha Kelly

Introductions

All attendees

Chairperson's Comments

Ms. Septelka said that we will approve the minutes later on in the process.

Boeing – Ray Skoff

Mr. Skoff attending the meeting and shared his personal experience of benchmarking projects with the Navy and Boeing.

Navy Experience

- Managed project from 1983 – 1989 projects \$150,000 to \$10 million (runways, taxiways, bridges, sidewalks and a lot of renovations)
- Had good benchmarks: quality, schedule and budget/cost
- You could access the health of a project by the change rate (dollar based). It was closely monitored (kinds of changes and change rates)
- Federal Government – construction engineers had authority to control change. We maintained a good (low) change rate
- The Constructability Reviews are important. With Constructability you can minimize design changes.
- Used a fairly consistent process
- Used the Beneficial Occupancy Date (BOD) – when contract stops. Contract in terms of contract duration, date of award is when you have (example: 250 days) to complete the project. This date is not related to damages, it is related to impact, if they don't make the date.
 - Mr. Szumlanski said E&AS has a worksheet to develop liquidated damages.
Subcommittee is interesting in seeing copies of the worksheet
 - City of Seattle contractors uses the contractor's daily overhead rate to determine damages.
- The Navy used a worksheet for allowable changes. The degree of services is based on BOD and change rates. Any change was considered a failure. Three or four things that we would watch closely. Amount of time it takes to: negotiate and implement the change. There were nine steps – monitor them; watch trends (compare – against previous performance) after you get enough good information, you benchmark.
- Navy benchmarked how long it took to process a change
 - Scope development and nature of change(s)
 - Pricing
 - Can catch error, etc...(three months before they do it and get paid for it)
 - Get changes (has to be negotiated before you know how much it is worth) consummated quickly (beneficial to the contractor)

Boeing Experience

- Benchmarking is very informal/regional
- Used to grade contractors (quality, scale, etc...)
- Contractors come on and off the list, based on performance
- Contract must demonstrate they are performing 10% of the work
- There are Federal Acquisition Regulations
- Select bid lists; small businesses bidding
- Boeing kept detailed records on cost per square foot (monitored closely). A lot of work into the bid estimates. When they looked at doing a matrix they used: CII (it is a good reference tool):
 - Shell, Tenant Improvements, Core

Ms. Crowson Discussion with Private Owners

- Ms. Crowson said that they use “Turners Normalization Tool” in order to filter cost over time, cost per square foot, etc...Banks use pre-qualification and selected bid lists. Nordstrom uses one firm nationwide.
 - Bid Design Documents – how different are they?
 - Change Orders based on design changes (DBB, GCCM). Want to come up with a standard benchmark (to see whether the project is successful)
 - City of Seattle has fire levy projects (individual neighborhoods and buildings).
 - Benchmarking can be hard because no projects are alike

Supplier Diversity and Inclusion of Minority, Women and Disadvantaged enterprises in Capital Projects (Handout from Carolyn and discussion of subcommittee):

- Did they have goals and did they meet them?
- Who is being solicited? In the public area – we advertise
- Advertisements in Newspapers, Online and/or via email notification. GC/CM requires AEs to have a MWBE plan (required for AEs to give to E&AS)
- Track who was solicited and who responded, so that you can track SB and MWB's. Who actually bid? Who was actually awarded?
- Private industry does not collect who was solicited - it is outcome, what was the percentage of participation on the project.
- **Ms. Crowson said she will get the handout cleaned up**

Ms. Septelka's Handouts:

- **She will email the handout to everyone on the subcommittee**
- Noted that Tom Peterson, The Hoffman Construction Company, submitted comments on a data collection system– please review, it is from the contractor's perspective

Data Collection General Discussion

- Ms. Septelka said DBB & GCCM can only be used by certain agencies and dollar cap of \$10 million. Smaller contractors feel threatened by GC/CM; some feel they will be left out of the market if the threshold is lowered.
- Mr. Goldblatt stated that CII shows comparatives. In comparing data to other sources CII is the only study really out there.
- We are trying to determine what data would be collected and what to benchmark (not enough DBB projects above \$10 million to benchmark between delivery methods)
- Mr. Skoff, Boeing, looked at the Data Collection Subcommittees matrix draft and said it looks good and that we included the standard benchmarks to measure project success
- **Mr. Skoff recommended contacting Peter Knowles, Quantity Surveyors. They worked on Safeco Field and Schilling. He may be able to guide or give information.**

Review of Minutes from the Last Meeting

It was moved to adopt the minutes from January 6, 2006 and seconded by Mr. Goldblatt.

Tasks:

- It was also suggested by a subcommittee member that Searetha add the GA Website address to all the meeting minutes. Searetha agreed to do this for all future meeting notes.
- Mr. Szumlanski will get the subcommittee copies of the E&AS Worksheet
- Ms. Crowson will clean up her handout
- Anyone on the subcommittee who is interested can contact Ray Skoff in order to get contact information on: Peter Knowles, Quantity Surveyors.
- Ms. Septelka will email her handout to all of the subcommittee members

- All committee members should: Review the Hoffman Construction Company document (it is from the contractor's perspective)
- Ms. Septelka will develop the data components for each benchmark that has been identified into a list for the committee to review.

Meeting Adjournment

The meeting was adjourned at approximately 2:00 p.m.